



Staff Contact: Brad Watson (x69719)

March 12, 2008

Budget Policy Brief

H.Con.Res. 312—Concurrent Resolution on the Budget for Fiscal Year 2009

Order of Business: Consideration of H. Con. Res. 312 is occurring today, Wednesday, March 12, and tomorrow, subject to a structured rule which makes in order substitutes by the Progressive Caucus (Lee), the Congressional Black Caucus (Kilpatrick/Scott), and the Republican Conference (Ryan).

Comparison of Budget Substitutes

Increase or Decrease in Federal Taxes:

Compared to CBO Baseline, as Adjusted to Assume the Extension of the 2001 and 2003 Tax Cuts

Negative Number Signifies Tax Relief, Positive Numbers Are Tax Increases

In Billions of Dollars

PROPOSAL	2009	2009-2013
Committee Budget	-69	+683
Progressive Caucus	+37	+1,001
Black Caucus	+17	+1,110
Republican Alternative	-79	-513

Total On-Budget (Excludes Social Security) Spending:

In Billions of Dollars

PROPOSAL	2009	2009-2013
Committee Budget	2,563	13,489
Progressive Caucus	2,633	14,249
Black Caucus	2,598	13,764
Republican Alternative	2,479	12,579

Note: This analysis does not look at the funding suggested for the separate functional categories. For discretionary spending, the Appropriations Committee is not bound by the functional

suggestions in the budget resolution. For direct spending, only reconciliation instructions to change existing law are of real relevance. In addition, only the relevant 302(a) committee allocations made in the accompanying Committee Report are important for budget enforcement.

On-Budget Deficit (Excludes Social Security):

In Billions of Dollars

PROPOSAL	2009	2009-2013
Committee Budget	536	1,373
Progressive Caucus	500	1,816
Black Caucus	483	1,221
Republican Alternative	462	1,614

Unified Deficit (Includes Social Security):

In Billions of Dollars

PROPOSAL	2009	2009-2013
Committee Budget	340	262
Progressive Caucus	304	705
Black Caucus	287	110
Republican Alternative	266	503

Includes Supplemental Funding for On-going Military Operations in the Global War on Terror:

PROPOSAL	
Committee Budget	YES
Progressive Caucus	NO
Black Caucus	YES
Republican Alternative	YES

Increase in the Federal Debt Ceiling:

In Billions of Dollars

PROPOSAL	2009	Increase
Committee Budget	10,200	633
Progressive Caucus	10,261	596
Black Caucus	10,146	579
Republican Alternative	10,179	606

Note: Under Rule XXVII (the “Gephardt Rule”), when a concurrent budget resolution is adopted, the House clerk is instructed to automatically engross and send to the Senate a joint resolution increasing the public debt ceiling to the amount specified in the budget resolution. Since the Senate has no comparable procedure, the Senate must then consider and pass the joint resolution. **As a result, when Members vote for the budget resolution they are voting to increase the federal debt ceiling.** The Republican budget repeals the Gephardt Rule.

Spending Reconciliation, Reserve Funds:

Committee Budget:

- Reconciliation instructions to the House Committee on Ways and Means to achieve \$750 million in savings over five years. This is intended to address the Medicare physician payments fix, though some conservatives may be concerned that this small savings target could be used to expand or create new entitlement programs, as occurred with the [College Cost Reduction and Access Act](#).
- Reconciliation instructions to the House Ways and Means Committee to reduce revenue by \$70 billion in FY 2009 and increase revenue by \$70 billion in FY 2010—2013. Although this could be used to make any change to tax law, this is intended for an AMT patch in FY 2009 and a tax increase of a corresponding amount in the last four years of the budget resolution to “pay” for it. Some conservatives may be concerned that this reconciliation instruction will be used to raise taxes.
- Creates 16 deficit-neutral spending reserve funds to be paid for by either tax increases or decreases in other spending:

Dollars in Millions

Reserve Fund	Five Years
SCHIP Reauthorization	50,000
Veterans	--
Education Benefits	--
Infrastructure Investment	--
Renewable Energy	--
Middle-Income Tax Relief	--
AMT Reform	--
Higher Education	--
Affordable Housing Fund	--
Medicare	--
Health Care Quality	--
Medicaid	--
TAA/Unemployment	--
County Payments Legislation	--
San Joaquin	--
National Park Centennial Fund	--
Child Support Enforcement	--

Progressive Caucus:

- None

Black Caucus:

- None

Republican Substitute:

- Includes reconciliation instructions to slow the growth in entitlements:

*Savings
Dollars in Millions*

Committee	Five Years
Agriculture	9,321
Armed Services	1,292
Education & Labor	15,926
Energy & Commerce	115,812
Financial Services	73
Foreign Relations	250
Judiciary	3,450
Natural Resources	3,721
Government Reform	4,679
Transportation & Infrastructure	4,672
Ways and Means	253,204
Total	412,400

- Includes tax reconciliation instruction to the Ways and Means Committee to reduce revenues by \$1.15 trillion over five years).

Earmark Reform:

Committee Budget:

None

Progressive Caucus:

None

Black Caucus:

None

Republican Substitute:

- Includes a moratorium on earmarks for the remainder for the 110th Congress, providing a point of order in the House against consideration of any legislation that contains an earmark (as defined by Clause 9 of Rule XXI).
- Establishes a Joint Select Committee on earmark reform to be comprised of sixteen members. This provision is modeled on the Kingston/Wamp/Wolf legislation, H.Con.Res. 263, which has 158 cosponsors.

Enforcement and Other Reform Provisions:

Committee Budget:

- Includes restriction on advanced appropriations. However, the resolution increases the annual restriction from \$25.56 billion to \$27.56 billion, providing \$2 billion in additional discretionary spending each year.
- Exempts funding directly related to the Global War on Terror from budget constraints.

Progressive Caucus:

- None

Black Caucus:

- Requires the Secretary of Defense to submit a report within 90 days that demonstrates how the Pentagon plans to implement 2,864 GAO recommendations to yield defense savings.

Republican Substitute:

- Repeals the Gephardt Rule (discussed above).
- Creates a point of order against consideration of conference reports or unreported bills that do not contain a CBO cost estimate printed in the Congressional Record at least one day before consideration.
- Requires roll call votes for new spending in excess of \$50 million.
- Prevents the consideration of any supplemental appropriations bill that attaches emergency-designated domestic spending to a war funding bill.
- Creates a point of order against the consideration of legislation that would increase direct spending by more than \$5 billion over any of the four ten-year periods beginning in FY 2016 and ending in FY 2055.
- Creates a point of order against the consideration of a reconciliation bill that includes new direct spending that exceeds 20 percent of the cost of the total savings instructions.
- Continues the current restriction on advance appropriations at \$23.565 billion.
- Includes Rainy-day fund (\$7.3 billion) to budget for non-defense domestic emergencies. In addition, the resolution would define an “emergency” and require spending to meet its criteria in order to tap the fund.
- Exempts funding directly related to the Global War on Terror from budget constraints.
- Includes Legislative Line-item Veto (the non-statutory portions).
- Creates PAYGO point of order for legislation increasing direct spending. This unwaivable point of order would not apply to legislation reducing revenues.